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Remarks to Western Cable Show
Anaheim, California
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All along, throughout our debate on cable, the industry's achievements have served as counterpoints to the great theoretical discussions of what a cable bill should ideally say.

It has long been my belief that any proposed rewrite had to recognize not only cable's realities but its potential.

Over the past year, cable has grown to over 14.5 million subscribers in 8200 communities across the nation -- reaching over 20% of television households.

Revenues stand at over 1.5 billion dollars -- up 25% over last year -- with net income before taxes at a record 137 million dollars.

There is no doubt this has occurred because cable is meeting needs and offering services unavailable anyplace else. For example:

-- Millions of parents want quality children's programming. It is cable that is providing a daily package of innovative shows for children.

-- People want to know more about the world around them. It is cable that will, in the near future, be the

first to offer a 24 hour/day news service.

-- Citizens want to watch their national institutions at work. It is cable that is providing gavel-to-gavel coverage of the House of Representatives.

-- People want to be involved with their communities. It is only cable which provides coverage of City Hall and untrammled public access to a major communications medium.

The wasteland of commercial television enteratinment has placed appremium on quality. It is cable that offers uncut, uninterrupted movies, sports, and entertainment specials.

It is these facts, which speak for themselves, which should guide policy makers at all levels of government. The burden is clearly on us to craft a regulatory policy which enhances -- rather than constricts -- cable's achievements.

I believe these developments have led to a decisive shift in government policies toward cable.

Its cornerstone is a fundamental rejection of the argument broadcasters have made for years that cable poses a threat to commercial television.

That contention has been rejected by the House Communications Subcommittee.

And it has been rejected as well by the Federal Communications Commission, whose own economic studies confirm that cable should no longer be restrained in order to protect commercial broadcasting.

Because of these facts, the FCC began to move last April to erase the web of restrictive regulations which have for years hindered cable's growth.

I support this initiative, and hope the Commission will successfully conclude this rulemaking within the next year.

But Congress should act as well. It is ridiculous that nearly 15 million people have access to a technology which is not once mentioned in the communications law of the land.

It was always my hope the Communications Subcommittee would write legislation which recognized the realities of cable's existence.

It was and remains my essential belief that a cable bill should contain three essential elements:

First, the establishment of a national mandate for the medium, directing all regulatory authorities to make cable available to as many people as possible;

Second, placing upon those who wish to regulate programming on cable the burden of proving the need to do so; and

Third, eliminating any possibility of treating cable as a common carrier, with system owners prohibited from producing or acquiring the programs they distribute. There is absolutely no need to treat cable in this fashion.

But the proposed rewrites of the Communications Act never embodied these principles. Indeed, these concepts were stood on their head. Cable was treated as a purely local service, subject to a patchwork quilt

of 50 separate regulatory authorities.

It was incredible to me that an industry that uses satellites perched in space should be viewed as a local communications medium.

It was for these reasons I considered this legislation wholly inadequate to your needs, and refused to give it my support.

Others had similar feelings about the bill. And early last summer, as we all know, the structure collapsed of its own weight.

The Subcommittee has now narrowed its focus, and chosen instead to write a bill governing common carriers. A new draft, cosponsored by a majority of the subcommittee, was unveiled this week.

Although this bill deals solely with the telephone industry, it contains a principle of critical concern to us.

The bill does not permit AT&T to get into the cable business.

It does permit AT&T's entry into computers, but only through the establishment of subsidiaries with separate boards, separate books, and separate marketing divisions.

The clear intent is to prohibit AT&T from undercutting competitors through cross-subsidies from its billions in telephone revenues.

If the computer industry is to be so protected, there is no reason why cable should be treated differently if and when a cable bill is considered.

The telephone industry has no business being in cable. You know all too well that when AT&T sneezes, cable catches pneumonia.

I am pleased to chairman's new bill is sensitive to the issues you have raised again and again about domination by the telephone industry.

But the most striking legislative victory for cable occurred not in Washington but here in California. Under the leadership of the CCTA, the state passed the most innovative law in the nation regarding cable.

In exchange for freedom from state interference in setting rates, the industry in California has committed itself to public access to the medium and an investment program to rebuild systems to provide better service.

This law will test, as has no other, whether or not the free market is the best environment for cable -- as we believe it is.

This law holds the promise of setting a national trend which will end cable's treatment as a public utility.

At the same time, you are obliged to uphold your side of the bargain, and make the promises of access and better service come true.

What happens here in California will undoubtedly guide us in Washington. I and other members of Congress will be watching. We want to learn from what you have done here.

Thank you.